

## Glossary

### Financial terms or Alternative Performance Measures

Following alternative performance measures (non-GAAP) have been included in the financial reporting since management believes that they are widely used by certain investors, securities analysts and other interested parties as additional measure of performance and liquidity.

Definitions for financial terms used in this half-year report are also clarified in this glossary.

Financial term or APM	Explanation
Adjusted EBIT	EBIT excluding restructuring costs and impairments relating to reorienting or stopping certain activities, business or product lines, as well as impairments on goodwill and revenues resulting from a single material transaction not linked to current business activities (e.g. change of control in a subsidiary). Results out of divestments or acquisitions are included in EBIT(DA).  Reconciliation from EBIT to adjusted EBIT can be found in the income statement.
Associates	Companies in which Barco has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method
BarcoCFG	Full name is CFG Barco (Beijing) Electronics Co., Ltd. BarcoCFG is the entity where Barco joined forces with China Film Group to address the Chinese cinema market. Barco holds a 49% stake in this entity at the end of June 2020
Direct available net cash	Net financial cash excluding the cash in Cinionic (68.3 million euro)
DPO	Days payable outstanding calculated as Trade Payables / (Material cost + Services and other costs) x 365;
DSO	Days sales outstanding calculated as ((Trade debtors / (sales past quarter)) * 90;
EBIT	Operating result (earnings before interest and taxes), calculated as gross profit less research & development expenses, sales and marketing expenses, general and administration expenses, other operating income (expense) - net and plus or minus adjusting items
EBITDA	Adjusted EBIT + depreciation, amortization and impairments (if any)
Free cashflow	Gross operating cash flow excluding share options recognized as cost + change in net working capital + Interest (expense)/income + income taxes + purchase of tangible and intangible fixed assets + proceeds on disposals of tangible and intangible fixed assets
Indirect costs/expenses	Research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations
Inventory turns	Inventory turns = 12 / [Inventory / (average monthly sales last 12 months x material cost of goods sold %)]

<b>Financial term or APM</b>	<b>Explanation</b>
Net financial cash/(debt)	Short term investments + Cash and cash equivalents + long-term financial receivables - long-term debts - current portion of long-term debts - short-term debts
Non-recurring tax items	Effect of change in expected tax rate on deferred taxes + innovation income deduction (IID) + tax adjustments related to prior periods + capital loss carried back/gain on sold share deal entities
Operating capital employed (including goodwill)	Operating capital employed + goodwill
Operating capital employed (OCE)	Working capital + other long term assets and liabilities
Operating expenses (OPEX)	Research & development expenses, sales and marketing expenses and general and administration expenses; excluding depreciations and amortizations
Order	<p>An order can only be recognized if a valid purchase order has been received from the invoice-to customer.</p> <p>An order is only valid if it is:</p> <ul style="list-style-type: none"> <li>- In writing. This includes electronic version of the purchase order out of the customer's ERP system.</li> <li>- The contract needs to be signed by an authorized person from the business partner.</li> </ul> <p>Next to this, a minimum number of fields need to be mentioned on the order like customer name, address, reference to sales quotation or business partner sales agreement of Barco, etc.</p>
Orderbook	Orderbook are previously received orders, which still fulfill all the conditions of an order, but are not delivered yet and hence not taken in revenue
Other long term assets and liabilities	Other long term assets & liabilities include the sum of other intangible assets, land and buildings, other tangible assets, deferred tax assets (net).
Other working capital	Other working capital includes the net of other non-current assets, other amounts receivable, prepaid expenses and accrued income and other long term liabilities, advances received from customers, tax payables, employee benefits liabilities, other current liabilities, accrued charges and deferred income and provisions.
Return on operating capital employed (ROCE)	Adjusted EBIT after tax relative to operating capital employed (including goodwill). $ROCE = \frac{\text{Adjusted EBIT} \times (1 - \text{effective tax rate})}{\text{Operating capital employed (including goodwill)}}$
Subsidiaries	Companies in which Barco exercises control
Working capital (net)	Trade debtors + inventory - trade payables - other working capital